

# House Study Bill 59 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON HIGHFILL)

## A BILL FOR

1 An Act relating to the procedures for granting a waterworks or  
2 sewer services franchise by a city.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 364.2, subsection 4, paragraphs a and b,  
2 Code 2017, are amended to read as follows:

3 a. A city may grant to any person a franchise to erect,  
4 maintain, and operate plants and systems for electric light  
5 and power, heating, telegraph, cable television, district  
6 telegraph and alarm, motor bus, trolley bus, street railway or  
7 other public transit, waterworks, sewer services under section  
8 357A.23, or gasworks, within the city for a term of not more  
9 than twenty-five years. When considering whether to grant,  
10 amend, extend, or renew a franchise, a city shall hold a public  
11 hearing on the question. Notice of the time and place of the  
12 hearing shall be published as provided in [section 362.3](#). The  
13 franchise may be granted, amended, extended, or renewed only  
14 by an ordinance, but no exclusive franchise shall be granted,  
15 amended, extended, or renewed.

16 b. Such an ordinance shall not become effective unless  
17 approved at an election. The proposal may be submitted  
18 by the council on its own motion to the voters at any city  
19 election. Upon receipt of a valid petition as defined in  
20 section 362.4 requesting that a proposal be submitted to the  
21 voters, the council shall submit the proposal at the next  
22 regular city election or at a special election called for  
23 that purpose before the next regular city election. However,  
24 the city council may dispense with such election as to the  
25 grant, amendment, extension, or renewal of an electric light  
26 and power, heating, sewer services under section 357A.23, or  
27 gasworks franchise unless there is a valid petition requesting  
28 submission of the proposal to the voters, or the party seeking  
29 such franchise, grant, amendment, extension, or renewal  
30 requests an election. If a majority of those voting approves  
31 the proposal, the city may proceed as proposed. The complete  
32 text of the ordinance shall be included on the ballot if  
33 conventional paper ballots are used. If an optical scan voting  
34 system is used, the proposal shall be stated on the optical  
35 scan ballot, and the full text of the ordinance posted for the

1 voters pursuant to [section 52.25](#). All absentee voters shall  
2 receive the full text of the ordinance.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with  
5 the explanation's substance by the members of the general assembly.

6 Current Code section 364.2 authorizes cities to grant,  
7 by ordinance, franchises for certain specified functions and  
8 services undertaken within the city. Such franchises may be  
9 granted for a term of not more than 25 years. In addition, Code  
10 section 357A.23 authorizes a city to grant a franchise to a  
11 rural water district under specified conditions, including the  
12 grant of a franchise for sewer services. An ordinance granting  
13 a franchise does not become effective until approved at  
14 election. A city may, however, dispense with such election as  
15 to the grant, amendment, extension, or renewal of an electric  
16 light and power, heating, or gasworks franchise unless there is  
17 a valid petition requesting submission of the proposal to the  
18 voters, or the party seeking such franchise, grant, amendment,  
19 extension, or renewal requests an election.

20 This bill adds a sewer services franchise granted under  
21 Code section 357A.23 and a waterworks franchise to the list of  
22 franchises for which the election is not required unless there  
23 is a valid petition or request from the party seeking such  
24 franchise, grant, amendment, extension, or renewal.